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Key or Party Name, Address, Telephone & FAX Numbers, and California State Bar Number Ian Davidoff (SBN 102654) Rutter, Hobbs & Davidoff Incorporated 1900 Avenue of the Stars, Suite 2700 Los Angeles, CA 90067-4301 (310) 286-1700	FOR COURT USE ONLY <b>FILED</b>  02 JUN 13 AM 10:15 CLERK U.S. BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA	
In re: (1) Westlake Holding Company, Inc. (2) MEMSolutions, Inc. (3) Solus Micro Technologies, Inc.  Debtor(s).	CASE NO.: (1) SV02-14836KL (2) SV02-14838KL (3) SV02-14840KL

### NOTICE OF SALE OF ESTATE PROPERTY

Sale Date: June 25, 2002	Time: 10:00 a.m.
Location: USBC, San Fernando Valley, 21041 Burbank Blvd., Woodland Hills, CA 92501 Courtroom 301.	

Type of Sale: ☒ Public    ☐ Private    Last date to file objections: June 11, 2002, 4:00 p.m.

Description of Property to be Sold: As described in Asset and Stock Purchase Agreement, copy attached hereto as Exhibit 1; and in Bidding Procedures Order, copy attached hereto as Exhibit 2.

Terms and Conditions of Sale: As described in Asset and Stock Purchase Agreement, copy attached hereto as Exhibit 1; and in Bidding Procedures Order, copy attached hereto as Exhibit 2.

Proposed Sale Price: Minimum overbid is \$884,000, plus breakup fee not to exceed \$50,000.

Overbid Procedure (If Any): As described in Bidding Procedures Order, copy attached hereto as Exhibit 2.

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing: 6/25/02, 10:00 a.m.  
USBC, San Fernando Valley, Crtrm 301.

Contact Person for Potential Bidders (include name, address, telephone, fax and/or e-mail address):

Duane Kumagai, Rutter, Hobbs & Davidoff Inc.  
 1900 Avenue of the Stars, Suite 2700  
 Los Angeles, CA 90067-4301  
 ph: 310-286-1700 / fax: 310-286-1728

Maria Pum: Brobeck, Phleger & Harrison LLP  
 12750 High Bluff Drive, Suite 300  
 San Diego, CA 92130 ph: 858-720-2500 / fax: 858-720-2555

Date: June 12, 2002

## ASSET AND STOCK PURCHASE AGREEMENT

THIS ASSET AND STOCK PURCHASE AGREEMENT (the "Agreement") is made and entered into as of this \_\_\_\_\_ day of May, 2002, by and between PARVENU, INC., a Delaware corporation (the "Buyer"), on the one hand, and SOLUS MICRO TECHNOLOGIES, INC., a Delaware corporation ("Solus"), MEMSOLUTIONS, INC., a Delaware corporation ("MEMS"), and WESTLAKE HOLDINGS, INC., a Delaware corporation on the other ("Westlake," and together with Solus and MEMS, called "Sellers"), all debtors and debtors-in-possession in separate chapter 11 cases pending in the United States Bankruptcy Court, Central District of California, San Fernando Valley Division (the "Bankruptcy Court").

### RECITALS

Sellers wish to sell to Buyer certain of their assets at the price and on the other terms and conditions specified in detail below and Buyer wishes to so purchase and acquire such assets from Sellers.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

#### 1. Transfer of Assets

1.1 Purchase and Sale of Assets. On the Closing Date, as hereinafter defined, in consideration of the covenants, representations and obligations of Buyer hereunder, and subject to the conditions hereinafter set forth, Sellers shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase from Sellers the following assets, wherever located, whether or not identified or disclosed on Sellers' books and records (collectively, the "Assets"):

##### 1.1.1 Leases and Contracts. Sellers' right, title and interest:

- (i) to the extent permitted by applicable law, all rights as lessee under those equipment, personal property and intangible property leases, rental agreements, agreements and similar arrangements described on Exhibit A to this Agreement and incorporated herein by this reference (collectively, the "Leases"), and
- (ii) to the extent permitted by applicable law, all rights as a party to those other contracts, purchase orders, licenses, contracts, agreements and similar arrangements described on Exhibit B (collectively, the "Scheduled Contracts" and together with the "Leases," called the "Leases and Contracts").

1.1.2 Personal Property. All of those items of equipment and tangible personal property owned by Sellers (or any of them) and listed in Exhibit C attached to this Agreement and incorporated herein by this reference (collectively, the "Personal Property"). As used in this Agreement, the Personal Property shall not include the Inventory (as defined below). The Personal Property shall also expressly exclude any equipment or other tangible property held by the Sellers pursuant to a lease, rental agreement, contract, license or similar arrangement (an "Agreement") where Buyer does not assume the underlying Agreement relating to such personal property as of the Closing Date.

1.1.3 Intangible Property. All intangible personal property listed on Exhibit D (whether owned or held by Solus, Westlake or MEMS) and all other intangible personal property owned or held by Solus, but in all cases only to the extent of Sellers' interest therein (or that of any of them) and only to the extent transferable, together with all books, records and like items pertaining thereto, and also including, without limitation, the goodwill of Solus' business (and that of MEMS and/or Westlake if and to the extent set forth on Exhibit D), all patents, intellectual property, trade secrets, trademarks, trade names, and service marks of either Solus (and of MEMS and/or Westlake if and to the extent set forth on Exhibit D), all catalogues, customer lists and other data bases, correspondence with present or prospective customers and suppliers, advertising materials, software programs, and telephone exchange numbers identified with the business of Solus (and that of MEMS and/or Westlake if and to the extent set forth on Exhibit D), as well as other intellectual property of Solus (and that of MEMS and/or Westlake if and to the extent set forth on Exhibit D), (collectively, the "Intangible Property"). As used in this Agreement,

**EXHIBIT 1**

Intangible Property shall in all events exclude, (i) any materials containing privileged communications or information about employees, disclosure of which would violate an employee's reasonable expectation of privacy and any other materials which are subject to attorney-client or any other privilege, and (ii) any software or other item of intangible property held by the Sellers pursuant to a license or other Agreement where Buyer does not assume the underlying Agreement relating to such intangible personal property on the Closing Date.

1.1.4 Inventory. All supplies, goods, materials, work in process, inventory and stock in trade owned by Solus (collectively, the "Inventory").

1.1.5 Common Stock. All the shares of common or preferred stock owned by Westlake (or MEMS or Solus, should they own any) in and of Solus Micro Technologies, Ltd. ("Solus UK").

1.2 Excluded Assets. Notwithstanding anything to the contrary in this Agreement, the Property shall be limited to the items identified or described in Section 1.1 above and shall in any event exclude all of the following (collectively, the "Excluded Assets"):

- (i) those items excluded pursuant to the provisions of Section 1.1 above;
- (ii) all cash or cash equivalents;
- (iii) all instruments, receivables, accounts receivable and unbilled costs and fees and, all causes of action relating or pertaining to the foregoing (collectively, the "Receivables");
- (iv) all preference or avoidance claims and actions of the Sellers, including, without limitation, any such claims and actions arising under Sections 544, 547, 548, 549, and 550 of the United States Bankruptcy Code;
- (v) the Sellers' rights under this Agreement and all cash and non-cash consideration payable or deliverable to the Sellers pursuant to the terms and provisions hereof;
- (vi) insurance proceeds, claims and causes of action with respect to or arising in connection with (A) any Contract which is not assigned to Buyer at the Closing, or (B) any item of tangible or intangible property not acquired by Buyer at the Closing;
- (vii) the 200,000 shares of common stock in Calient Networks owned by MEMS (and any other shares of stock not specifically identified as being included among the Assets);
- (viii) the personal property listed or described on Exhibit I, or
- (ix) any Lease or Scheduled Contract to which any Seller is a party which is not listed or described on Exhibits A or B.

1.3 Instruments of Transfer. The sale, assignment, transfer, conveyance and delivery of the Assets to Buyer shall be made by assignments, bill of sale, and other instruments of assignment, transfer and conveyance provided for in Section 3 below and such other instruments as may reasonably be requested by Buyer to transfer, convey, assign and deliver the Assets to Buyer, but in all events only to the extent that the same do not impose any monetary obligations upon Sellers or in any other material respect increase in any material way the burdens imposed by the other provisions of this Agreement upon Sellers.

## 2. Consideration.

2.1 Purchase Price. The "Purchase Price" shall be composed of the "Cash Consideration" defined below and the "Assumed Liabilities" defined below.

(a) The "Cash Consideration" to be paid by Buyer to Sellers for the Assets (the "Purchase Price") shall be (i) \$750,000 provided that to the extent that Buyer is also a lender of any "DIP Financing" to Sellers, or any of them, the sums owing to Buyer by Sellers may be set off by Buyer against

the cash portion of the Purchase Price payable under this subsection 2.1(a)(i), plus (ii) any cash amounts payable by Buyer to cure the defaults under the Leases and Contracts listed on Exhibits A and B.

(b) The "Assumed Liabilities" shall be the obligations assumed by Buyer in connection with the assignment to Buyer of the Leases and Contracts listed on Exhibits A and B, as well as the "Additional Assumed Liabilities" listed on Exhibit E. Other than the liabilities and obligations of Sellers expressly assumed by Buyer hereunder, Buyer is not assuming and shall not be liable for any liabilities or obligations of Sellers.

2.2 Payment. The Purchase Price shall be paid as follows: On the Closing Date, Buyer shall pay and deliver, in good, collected funds, the balance of the Purchase Price, net of all amounts owed by Sellers to Buyer for the DIP Financing defined below.

### 3. Closing Transactions.

3.1 Closing Date. The Closing shall be held one (1) day after entry of the Approval Order (as defined in Section 8.3.1.1, below) (the "Closing Date") but in no event later than June 28, 2002 (the "Outside Date"). In the event the conditions to Closing have not been satisfied or waived by the Outside Date, then any party who is not in default hereunder may terminate this Agreement. Alternatively, the parties may mutually agree to an extended Closing Date. Until this Agreement is either terminated or the parties have agreed upon an extended Closing Date, the parties shall diligently continue to work to satisfy all conditions to Closing and the transaction contemplated herein shall close as soon as such conditions are satisfied or waived.

3.2 Sellers' Deliveries to Buyer at Closing. On the Closing Date, Sellers shall make the following deliveries to Buyer:

3.2.1 An Assignment and Assumption of Leases and Contracts substantially in the form and content attached as Exhibit F hereto, duly executed by Sellers, pursuant to which Sellers assign the Leases and Contracts (the "Assignment of Leases and Contracts"); provided, however, that the Assignment of Leases and Contracts need not be delivered by Sellers as to Lease or Contract with respect to which the Bankruptcy Court has issued an order prior to the Closing Date authorizing the assumption and assignment.

3.2.2 A bill of sale, duly executed by Sellers, in the form and on the terms of the bill of sale attached hereto as Exhibit G pursuant to which Sellers transfer the Personal Property and the Inventory to Buyer (the "Bill of Sale").

3.2.3 A counterpart assignment of intangible property, duly executed by Sellers, in the form and content of the assignment of intangible property attached as Exhibit H hereto, pursuant to which Sellers assign to Buyer its interest, if any, in and to the Intangible Property to Buyer (the "Assignment of Intangible Property").

3.2.4 Any such other documents, funds or other things reasonably contemplated by this Agreement to be delivered by Sellers to Buyer at the Closing.

3.3 Buyer's Deliveries to Sellers at Closing. On the Closing Date, Buyer shall make or cause the following deliveries to Sellers:

3.3.1 The Purchase Price to be delivered by Buyer directly to Sellers at the Closing under Section 2.1, or to such other person as may be directed by order of the Bankruptcy Court.

3.3.2 A counterpart of the Assignment of Leases and Contracts, duly executed by Buyer.

3.3.3 A counterpart of the Assignment of Intangible Property, duly executed by Buyer.

3.3.4 Any such other documents, funds or other things reasonably contemplated by this Agreement to be delivered by Buyer to Sellers at the Closing.

3.4 Prorations; No Liability for Deposits. Rent, current taxes, and other items of

expense (including, without limitation, any prepaid insurance under the Leases and Contracts, or any of them) shall be prorated between Sellers and Buyer as of the Closing Date. All liabilities and obligations due in respect of periods prior to or as of the Closing Date shall be the responsibility of Sellers and all liabilities and obligations due in respect of periods after the Closing Date shall be the responsibility of Buyer. Buyer shall have no liability to Sellers for the amount of any security or similar deposits with the landlords or other contracting parties under the Leases and Contracts (or under any other lease or contract).

3.5 Sales, Use and Other Taxes. Any sales, purchases, transfer, stamp, documentary stamp, use or similar taxes under the laws of the states in which any portion of the Assets is located, or any subdivision of any such state, which may be payable by reason of the sale of the Assets under this Agreement or the transactions contemplated herein shall be borne and timely paid by Buyer.

3.6 Possession. Right to possession of the Assets shall transfer to Buyer on the Closing Date. Sellers shall transfer and deliver to Buyer on the Closing Date such keys, locks and safe combinations and other similar items as Buyer may reasonably require to obtain occupation and control of the Assets, and shall also make available to Buyer at their then existing locations the originals of all documents in Sellers' possession that are required to be transferred to Buyer by this Agreement.

4. Conditions Precedent to Closing.

4.1 Conditions to Sellers' Obligations. Sellers' obligation to make the deliveries required of Sellers at the Closing Date shall be subject to the satisfaction or waiver by Sellers of each of the following conditions.

4.1.1 All of the representations and warranties of Buyer contained herein shall continue to be true and correct at the Closing in all material respects.

4.1.2 Buyer shall have executed and delivered to Sellers the Assignment of Leases.

4.1.3 Buyer shall have delivered, or shall be prepared to deliver at the Closing, all cash and other documents required of Buyer to be delivered at the Closing.

4.1.4 Buyer shall have delivered to Sellers appropriate evidence of all necessary corporate action by Buyer in connection with the transactions contemplated hereby, including, without limitation: (i) certified copies of resolutions duly adopted by Buyer's directors approving the transactions contemplated by this Agreement and authorizing the execution, delivery, and performance by Buyer of this Agreement; and (ii) a certificate as to the incumbency of officers of Buyer executing this Agreement and any instrument or other document delivered in connection with the transactions contemplated by this Agreement.

4.1.5 The Bankruptcy Court shall have entered the Approval Order in accordance with Section 8.3.1.1 below and the Approval Order shall not have been stayed as of the Closing Date.

4.2 Conditions to Buyer's Obligations. Buyer's obligation to make the deliveries required of Buyer at the Closing shall be subject to the satisfaction or waiver by Buyer of each of the following conditions:

4.2.1 Sellers shall have substantially performed or tendered performance of each and every covenant on Sellers' part to be performed which, by its terms, is capable of performance before the Closing.

4.2.2 All representations and warranties of Sellers contained herein shall continue to be true and correct at the Closing in all material respects.

4.2.3 Sellers shall have executed and be prepared to deliver to Buyer the Assignment of Leases and Contracts; the Bill of Sale; and the Assignment of Intangible Property.

4.2.4 Sellers shall have delivered, or shall be prepared to deliver at the Closing, all other documents required of Sellers to be delivered at the Closing.

4.2.5 No action, suit or other proceedings shall be pending before any court, tribunal or governmental authority seeking or threatening to restrain or prohibit the consummation of the transactions contemplated by this Agreement, or seeking to obtain substantial damages in respect thereof,

or involving a claim that consummation thereof would result in the violation of any law, decree or regulation of any governmental authority having appropriate jurisdiction.

4.2.6 The Bankruptcy Court shall have entered the Approval Order in accordance with Section 8.3.1.1 below and the Approval Order shall not have been stayed as of the Closing Date.

4.3 Termination. If any of the above conditions is neither satisfied nor waived on or before the date by which the condition is required to be satisfied, a party who is not then in default hereunder may terminate this Agreement by delivering to the other written notice of termination. Any waiver of a condition shall be effective only if such waiver is stated in writing and signed by the waiving party; provided, however, that the consent of a party to the Closing shall constitute a waiver by such party of any conditions to Closing not satisfied as of the Closing Date.

5. Sellers' Representations and Warranties. Effective upon entry of the Approval Order, each Seller hereby makes the following representations and warranties to Buyer on its own behalf and not on behalf of the other Seller:

5.1 Validity of Agreement. Upon obtaining the Approval Order, this Agreement shall constitute the valid and binding obligation of Sellers enforceable in accordance with its terms.

5.2 Organization, Standing and Power. Subject to the applicable provisions of bankruptcy law, each such Seller has all requisite corporate power and authority to own, lease and operate its properties, to carry on its business as now being conducted and, subject to the Sellers' obtaining the Approval Order, to execute, deliver and perform this Agreement and all writings relating hereto.

5.3 Authorization of Sellers. Upon obtaining the Approval Order, the execution and delivery of this Agreement, the consummation of the transactions herein contemplated, and the performance of, fulfillment of and compliance with the terms and conditions hereof by Sellers do not and will not: (i) conflict with or result in a breach of the articles of incorporation or the by-laws of Sellers; (ii) violate any statute, law, rule or regulation, or any order, writ, injunction or decree of any court or governmental authority; or (iii) violate or conflict with or constitute a default under any agreement, instrument or writing of any nature to which Sellers are a party or by which Sellers or its assets or properties may be bound.

5.4 Title to Property. To the Sellers' knowledge (which consists of matters actually known to Sellers' senior management), Sellers have valid title to the Assets (excluding a dispute as to a non-material patent, Docket no SMT-11).

6. Buyer's Warranties and Representations. Effective upon entry of the Approval Order, Buyer hereby makes the following representations and warranties to Sellers:

6.1 Validity of Agreement. All action on the part of Buyer necessary for the authorization, execution, delivery and performance of this Agreement by Buyer, including, but not limited to, the performance of Buyer's obligations hereunder, has been taken. This Agreement, when executed and delivered by Buyer, shall constitute the valid and binding obligation of Buyer enforceable in accordance with its terms.

6.2 Organization, Standing and Power. Buyer is a Delaware corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Buyer has all requisite power and authority to own, lease and operate its properties, to carry on its business as now being conducted and to execute, deliver and perform this Agreement and all writings relating hereto.

6.3 Authorization of Buyer. The execution, delivery and performance of this Agreement and all writings relating hereto by Buyer have been duly and validly authorized. The execution and delivery of this Agreement, the consummation of the transactions herein contemplated, and the performance of, fulfillment of and compliance with the terms and conditions hereof by Buyer do not and will not: (i) conflict with or result in a breach of the articles of incorporation or by-laws of Buyer; (ii) violate any statute, law, rule or regulation, or any order, writ, injunction or decree of any court or governmental authority; or (iii) violate or conflict with or constitute a default under any agreement, instrument or writing of any nature to which Buyer is a party or by which Buyer or its assets or properties may be bound.

7. "AS IS/WHERE IS" Transaction. Buyer hereby acknowledges and agrees that

Sellers make no representations or warranties whatsoever, express or implied or statutory, with respect to any matter relating to the Assets (including, without limitation, income to be derived or expenses to be incurred in connection with the Assets, the physical condition of any personal property comprising a part of the Assets or which is the subject of the Leases and Contracts to be assumed by Buyer at the closing, the merchantability or fitness of the Personal Property or any other portion of the Assets for any particular purpose, and/or noninfringement, or any other matter or thing relating to the Assets or any portion thereof). Buyer further acknowledges that Buyer has conducted an independent inspection and investigation of the physical condition of all portions the Assets and all such other matters relating to or affecting the Assets as Buyer deemed necessary or appropriate and that in proceeding with its acquisition of the Assets, Buyer is doing so based solely upon such independent inspections and investigations. Accordingly, Buyer will accept the Assets at the Closing "AS IS/WHERE IS," and "WITH ALL FAULTS."

8. Conduct and Transaction Prior to Closing.

8.1 Access to Records and Properties of Sellers. From and after the date of this Agreement until the Closing Date, Sellers shall afford to Buyer's officers, independent public accountants, counsel, lenders, consultants and other representatives, reasonable access for examination at all reasonable times to the Assets and all records pertaining to the Assets. Buyer, however, shall not be entitled to access to any materials containing privileged communications or information about employees, disclosure of which might violate an employee's reasonable expectation of privacy. Buyer expressly acknowledges that nothing in this Section 8.1 is intended to give rise to any contingency to Buyer's obligations to proceed with the transactions contemplated herein.

8.2 [Omitted].

8.3 Bankruptcy Court Approvals.

8.3.1 Bankruptcy Court Approval of Sale Procedures.

8.3.1.1 Promptly following the Execution Date (and in no event later than two (2) business days thereafter), the Sellers will make a motion (the "Sale Motion") for an order (the "Approval Order") from the Bankruptcy Court which (i) approves the sale of the Assets to Buyer on the terms and conditions set forth in this Agreement and authorizes the Sellers to proceed with this transaction, (ii) includes a specific finding that Buyer is a good faith purchaser of the Assets, (iii) states that the sale of the Assets to Buyer shall be free and clear of all liens, claims, interests and encumbrances whatsoever, (iv) provides to the extent permitted by law that Buyer shall not be subject to any vicarious or successor liability for the obligations of any Seller, and (v) approves the Sellers' assumption and assignment of the Leases and Contracts (collectively, the "Section 365 Contracts") pursuant to Section 365 of the United States Bankruptcy Code and orders the Buyer to pay any cure amounts payable to the other parties to the Section 365 Contracts as a condition to such assumption and assignment. Following the filing of the Sale Motion, the Sellers shall use reasonable efforts to obtain the Approval Order. Both Buyer's and Sellers' obligations to consummate the transactions contemplated in this Agreement which the Buyer and Sellers may hereafter enter into shall be conditioned upon the Bankruptcy Court's entry of the Approval Order. If (xx) the Bankruptcy Court refuses to issue the Approval Order, (yy) a third party purchaser for the Assets or any material portion thereof is approved by the Court at the hearing on the Sale Motion, or (zz) the Approval Order is for any other reason not entered on or before June 24, 2002, then in any such event, this transaction shall automatically terminate and the Sellers and the Buyer shall be relieved of any further liability or obligation hereunder. Upon timely entry of the Approval Order (such entry date being referred to herein as the "Sale Approval Date"), the condition set forth in this Section 8.3.1.1 shall conclusively be deemed satisfied.

8.3.1.2 As part of the Sale Motion, the Sellers shall also request and use reasonable good faith efforts to obtain from the Bankruptcy Court an order which approves the following bidding procedures and expense reimbursements (the "Bidding Procedures"):

- (i) Buyer will be entitled to receive from the Sellers a payment in the amount of the lesser of (A) \$50,000, and (B) all reasonable fees and costs of Buyer in connection with either the acquisition of the Assets as described in this Agreement or the DIP Financing (the "Break-Up Fee"), in cash or other immediately available good funds in the event that Buyer is not approved by the Bankruptcy Court as the purchaser of the Assets and the Assets (or any material portion thereof) are thereafter sold to any third party for consideration in

excess of the Purchase Price and other consideration provided for herein notwithstanding the Buyer's willingness and ability to consummate the transactions contemplated by this Agreement, which payment shall be made to the Buyer concurrently with the consummation of such third party sale,



- (ii) all third party offers to be considered at the hearing on the Sale Motion shall be in writing and delivered to the Sellers and the Buyer no later than two Court days prior to such hearing, together with satisfactory evidence of such third party's financial ability to perform its obligations under such offer,
- (iii) no prospective purchaser will be permitted to bid at the Sale Hearing unless such party has been deemed "financially qualified" by the Sellers,
- (iv) no prospective purchaser who bids for the Assets at the hearing on Buyer's acquisition of the Assets shall be entitled to purchase the Assets unless such prospective purchaser (A) delivers to Sellers a nonrefundable deposit of not less than \$20,000, and (B) offers to purchase the Assets for consideration which is at least equal to the consideration set forth in this Agreement (including all cash, non-cash consideration and Assumed Liabilities), *plus the Break-Up Fee* and otherwise on terms at least as favorable to the Sellers as those set forth in the Purchase Agreement, and
- (v) after any initial overbid, all further overbids must be in increments of at least \$10,000.

Should overbidding take place, the Buyer shall have the right, but not the obligation, to participate in the overbidding and to be approved as the overbidder at the hearing on the Sale Motion based upon any such overbid. The entry of an order of the Bankruptcy Court approving the Bidding Procedures is a condition precedent to Buyer's and Seller's obligations under this Agreement.

## 9. Miscellaneous.

9.1 Damage and Destruction; Condemnation. Sellers shall notify Buyer immediately of the occurrence of any damage to or destruction of the Assets which occurs prior to the Closing Date. In the event of any damage to or destruction of the Assets which is not fully covered by insurance, or in the event any such condemnation or other proceedings are instituted or maintained, Buyer, at its option, may either (i) terminate this Agreement, or (ii) consummate the purchase provided for by this Agreement. In all other events or in the event that Buyer elects to consummate the purchase pursuant to (ii) above, all insurance or condemnation proceeds, including business interruption and rental loss proceeds, collected and retained by Sellers prior to the Closing Date, together with an amount equal to all deductible amounts under the insurance policies covering such damage or destruction and amounts not covered by insurance (which amounts shall be agreed upon in good faith by Sellers and Buyer and approved by the Bankruptcy Court), shall be credited against the Purchase Price on Buyer's account, and all entitlement to all other insurance or condemnation proceeds arising out of such damage or destruction or proceedings and not collected prior to the Closing Date.

9.2 Entire Agreement. This Agreement and the documents to be executed pursuant hereto contain the entire agreement between the parties relating to the sale of the Assets. Any oral representations or modifications concerning this Agreement or any such other document shall be of no force and effect excepting a subsequent modification in writing, signed by the party to be charged.

9.3 Modification. This Agreement may be modified, amended or supplemented only by a written instrument duly executed by all the parties hereto.

9.4 Severability. Should any term, provision or paragraph of this Agreement be determined to be illegal or void or of no force and effect, the balance of the Agreement shall survive except that, if Buyer cannot acquire and Sellers cannot sell substantially all of the Assets, either party may terminate this Agreement, and it shall be of no further force and effect, unless both parties agree in writing to the contrary.

9.5 Captions. All captions and headings contained in this Agreement are for convenience of reference only and shall not be construed to limit or extend the terms or conditions of this Agreement.

9.6 Further Assurances. Each party hereto will execute, acknowledge and deliver any further assurance, documents and instruments reasonably requested by any other party hereto for the purpose of giving effect to the transactions contemplated herein or the intentions of the parties with respect thereto.

9.7 Waiver. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

9.8 Brokerage Obligations. The Sellers and the Buyer each represent and warrant to the other that, such party has incurred no liability to any real estate broker or agent with respect to the payment of any commission regarding the consummation of the transaction contemplated hereby. It is agreed that if any claims for commissions, fees or other compensation, including, without limitation, brokerage fees, finder's fees, or commissions are ever asserted against Buyer or the Sellers in connection with this transaction, all such claims shall be handled and paid by the party whose actions form the basis of such claim and such party shall indemnify, defend (with counsel reasonably satisfactory to the party entitled to indemnification), protect and save and hold the other harmless from and against any and all such claims or demands asserted by any person, firm or corporation in connection with the transaction contemplated hereby.

9.9 Payment of Fees and Expenses. Each party to this Agreement shall be responsible for, and shall pay, all of its own fees and expenses, including those of its counsel, incurred in the negotiation, preparation and consummation of the Agreement and the transaction described herein.

9.10 Survival. The respective representations, warranties, covenants and agreements of Sellers and Buyer herein, or in any certificates or other documents delivered prior to or at the Closing, shall not be deemed waived or otherwise affected by the Closing and shall survive for a period of three full calendar months after the Closing.

9.11 Assignments. This Agreement shall not be assigned by either party hereto without the prior written consent of the other party hereto.

9.12 Binding Effect. Subject to the provisions of Section 9.11 above, this Agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successors, and assigns of the parties hereto.

9.13 Applicable Law. This Agreement shall be governed by and construed in accordance with the internal laws of California, except to the extent that federal bankruptcy law may be applicable, in which case federal bankruptcy law shall apply.

9.14 Good Faith. All parties hereto agree to do all acts and execute all documents required to carry out the terms of this Agreement and to act in good faith with respect to the terms and conditions contained herein before and after Closing.

9.15 Construction. In the interpretation and construction of this Agreement, the parties acknowledge that the terms hereof reflect extensive negotiations between the parties and that this Agreement shall not be deemed, for the purpose of construction and interpretation, drafted by either party hereto.

9.16 Counterparts. This Agreement may be signed in counterparts. The parties further agree that this Agreement may be executed by the exchange of facsimile signature pages provided that by doing so the parties agree to undertake to provide original signatures as soon thereafter as reasonable in the circumstances.

9.17 Time is of the Essence. Time is of the essence in this Agreement, and all of the terms, covenants and conditions hereof.

9.18 Bankruptcy Court Jurisdiction. BUYER AND SELLERS AGREE THAT THE BANKRUPTCY COURT SHALL HAVE EXCLUSIVE JURISDICTION OVER ALL DISPUTES AND OTHER MATTERS RELATING TO (i) THE INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT OR ANY ANCILLARY DOCUMENT EXECUTED PURSUANT HERETO; AND/OR (ii) THE ASSETS AND/OR ASSUMED LIABILITIES, AND BUYER EXPRESSLY CONSENTS TO AND AGREES NOT TO CONTEST SUCH EXCLUSIVE JURISDICTION.

In Witness Whereof, Buyer and Sellers have executed this Asset Purchase Agreement as of the day and year first above written.

**SOLUS MICRO SYSTEMS, INC. , a  
Delaware corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**MEMSOLUTIONS, INC. , a  
Delaware corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**WESTLAKE HOLDINGS, INC. , a  
Delaware corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**PARVENU, INC. , a  
Delaware corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**Exhibit A**  
**Equipment Leases**

<b>Description/ Non-Debtor Party</b>	<b>Cure Amount</b> (Amount Past-Due on Petition Date)	<b>Scheduled Payments Payable Post-Petition</b>	<b>Item(s) Leased</b>
1. Equipment Schedule VL-1 to "Master Lease Agreement" dated as of March 25, 1998, between E-Beam, Inc. and Comdisco, Inc. as amended by the "Addendum" thereto	\$ 30,156.68	\$ 69.41	See attachment 1 for a list of equipment leased under schedule VL-1.
2. Equipment Schedule VL-2 to "Master Lease Agreement" dated as of March 25, 1998, between E-Beam, Inc. and Comdisco, Inc. as amended by the "Addendum" thereto	\$ 4,927.43	\$ 2,175.31	See attachment 1 for a list of equipment leased under schedule VL-2.
3. Equipment Schedule 001 to "Master Lease Agreement" No. 7283 dated as of October 1, 1998, between E-Beam, Inc. and LINC Capital, Inc.	\$ 0.00	\$ 0.00	See attachment 2a for a list of all equipment leased under schedule 001.
4. Equipment Schedule 002 to "Master Lease Agreement" No. 7283 dated as of March 25, 1999, between E-Beam, Inc. and LINC Capital, Inc.	\$ 0.00	\$ 0.00	See attachment 2b for a list of all equipment leased under schedule 002.
5. Equipment Schedule 003 to "Master Lease Agreement" No. 7283 dated as of April 15, 1999, between E-Beam, Inc. and LINC Capital, Inc.	\$ 0.00	\$ 0.00	See attachment 2c for a list of all equipment leased under schedule 003.

**Exhibit B**

**Other Contracts**

<b>Description/ Non-Debtor Party</b>	<b>Cure Amount</b>	<b>Scheduled Payments Payable Post-Petition</b>	<b>Subject of Contract</b>
All Nondisclosure Agreements (and the like) between any Seller and any existing or former employee, consultant, or third party.	None	None	Protection of know how, trade secrets and technical data, etc.
All Invention Assignment Agreements (and the like) between any Seller and any existing or former employee, consultant, or third party.	None	None	Assignment of inventions
Contract for Sale of Carousel Load Locked Multiplex ICP System, as referenced in Quotation dated 10/25/01, and Solus Micro Technologies, Inc. Purchase Order No. 1523 dated 10/29/01, and associated Purchase Requisition  Non-Debtor Party: SURFACE TECHNOLOGY SYSTEMS, LTD., 611 Veterans Blvd., Suite 107, Redwood City, CA	None	\$70,000 upon delivery, plus the additional sum of \$314,415 in eight quarterly payments thereafter.  Note: Solus Micro Technologies, Inc. made payments pre-petition totaling \$105,000	Carousel Load Locked Multiplex ICP System

Exhibit C

**Personal Property**

SYS No	Description
00195	OTP3 Platform
00016	Tunable Lasers(3)
00043	Turnable Laser Source Module
00283	NanoScope E SPM Control Station
00367	Fiber Optic LDV
00289	Optical Spectrum Analyzer AQ6317B
00059	DMA7 Thermal Analyzer 115V 60HZ
00218	AQ-6317/B/3 Optical Spectrum Analyzer
00354	BBS Optical Broadband Source
00002	Agilent 8164A Lightwave Meas. Sys. w/ 81640A tun. laser
00327	Optical Broadband Source
00287	Vibration Control System
00008	Optical Scanning A
00009	Optical Scanning A
00020	Wavelength Meters(2)
00347	VPN Hardware & Software (UK)
00239	PZT Driver
00291	Vibration Test System LVS-100
00070	Solidworks 2000
00117	Newport Tables (2)
00311	Smart Team Software
00018	EDFA
00020	PCB Layout - Morraine
00007	Wavelength Meter
00049	Micrometer Drive, Motor Cont. Cable
00089	TEK TDS30334
00010	Fusion Splicers(2)
00344	Electrometer, Hi Resistance Motor
00050	LabView CDI/DWDM
00280	Broad Board Light Source
00197	BLS31121 1550 ANM Pigtail
00053	DSA Board W/Accessory Kit
00045	1MW 1550 Broadband Light Source
00227	McBain Microscope
00012	Chamber
00293	Optical Power Meter PM-1600
00319	PC 1.0 Ghz P3
00219	Cosmoworks Basic
00081	Solidworks 2000
00082	Solidworks 2000
00058	Tilting Mirror
00005	Server w/ 15" Monitor P 3, 1 ghz
00240	DC Motor controller
00073	T20 PIII 750 128/20 DVD
00277	m-450 Micoscope

00322	AnalySIS Software
00154	Vacuum Pumps and Drill Press
00015	Optical Attenuators(3)
00220	LRS3-1-B10-XY
00284	CSA Actuator
00028	D-100IR-FC Detector, Ultrafast
00011	Power Meters(4)
00348	AutoCAD 2002 software
00330	Detector w/Programmed Memory 818-IG/CM
00316	AutoCAD 2000i Full Version
00246	Computer Server
00004	CPU Emulator
00288	Optical Power Meter 4832-C
00286	Optical Power Meter 4832-C
00374	C2H2 Mini EX-F-100-FCPC
00268	460P-xyz Stage Translator
00085	HH Source,1550nm Laser, HH VIS Fault Finder, 635nm
00352	Yoke Alignment Station
00375	P805-00011 EFOS L Guide w/ Novacure Board, Lamp & Filter
00371	XDS510PP Plus JTAG Emulator
00355	XDS510PP Plus JTAG Emulator w/ Code Compressor
00029	E Series Multifunction inpput/output DAQ Hardware
00037	E Series Multifunction inpput/output DAQ Hardware
00329	Scanner Card
00321	PC 850 mhz P3 w/ 17" Viewsonic Monitor
00245	Calibration Mirror
00003	Thurlby Thandar PL 330 TP Power Supplies (Qty 3)
00022	Optical Switches(2), JDS SC0204
00193	Sony Vaio PC
00225	PC Systems (2) P3 700 mhz
00278	Stereo Microscope
00331	Cross Roller Bearing Stage
00005	Model #60-260-01 Hoffman
00009	BK7/SF5 Cemented Optical Instr
00232	Labview System Upgrade
00048	Vibration Isolation Table
00096	Laser System
00199	PC System
00235	562F-XYZ Assy.
00233	562-XYZ-LH assy.
00363	Fast Analog I/O Board
00060	Deltron XY Positioning Stage
00054	DC Metric Stage, 25MM TRVL
00055	DC Metric Stage, 25MM TRVL
00312	PC 800 mhz P3
00056	MPC Control Digital Dispenser
00022	F/O Cable Cover & body Assembly
00032	460A-XYZ Trans Stage 3 Axis
00333	PCI-6704 DC Analog Output
00292	DC Analog Output PCI-6074
00350	Keithley 213 Quad voltage source
00243	S321 Cleaver

00296	Digital Dispenser
00194	PCI 6704 DC Analog
00335	Probe Software (Labview Pkg.)
00361	PCI-6704 DC Analog Output and Ni-Daq
00356	PCI-6704 DC Analog
00337	PCI-6704 DC Analog Outpu
00340	PCI-6704 DC Analog
00295	Test Bench
00013	Function Generators(2)
00314	PC IBM Netvista
00027	Xilinx Software (2)
00068	Pentium III 550MH
00036	Dual Loop Ctrl w/dig Comm
00160	CCD Gauge
00343	PC / 104 GPIB (16 bit) (Qty 2)
00021	Cleavers(2)
00341	PC / 104 Test System
00320	PC 866 mhz P3 w/ 17" Proview Monitor
00051	Axis Digital Readout SDT-1738
00273	Digital Multimeter AGL34401A
00026	Computer HP XE310 PIII 1GHz w/17" CRT
00373	IMAQ PCI-1411 and NI-IMAQ Software
00364	Video Camera, Toshiba industrial grade w/ x12 optics set
00369	Computer Rack 24" x 35" x 72"
00024	EFOS Novacure N2001-A1 UV Light
00370	PCI-GPIB, NI-488.2
00001	ILX Lightwave LDX - 3525 Precision current source
00360	Computer Rack 24" x 35" x 72"
00372	Brother Printer HL1670N
00304	Computer Rack
00213	T00400 Optical Table
00358	PD2-AO-8/16 8 Channel AO BoardI
00025	PROM Programmer
00376	460A-XYZ Trans Stage 3 Axis No Mics
00301	Emitter Assembly
00272	H-P34401A DIG Multimeter
00305	Computer Rack
00030	4" Zerodur Flat
00349	Keithley 238 high current source measure
00332	Digital Camera, Olypus C-2100
00282	S/S Work Bench 4380T14
00313	HP LaserJet 1100 Printer
00083	Thinkpad Dock F/ 2647
00230	Mutisync 19" FP950 Monitor
00315	AutoCAD LT 2000i Software
00346	Quartz Sample Tube for the DMA
00357	Fluke 189 Digital Volt Meter
00236	U Bracket Assy.
00339	PCI-GPIB, NI-488
00342	PCI-GPIB, NI-488
00336	Optical Power Meter 4832-C
00275	Dicing Saw DAD321



00359	Zygo Maxim GP w/zoom
00366	F206 Six Axis Parallel Kinematics Positioning System
00039	Zygo New View 100 System
00130	Semi Star Gas Tank (3)
00133	2 Turbo Pumps 2 Mechanical Pumps
00285	Planarizing Chuck / Mask Holder
00106	Electron Beam Source
00103	Probe Station
00353	HLF Clean Bench 480B24 (Qty. 2)
00145	Chiller
00149	Vertical Laminar Flow
00144	Power Supply
00143	Diffusion Pump
00155	Portable Clean Room
00125	Generator RPG-50A
00127	Photoresist Developer
00116	EG6320 (The Baker Co)
00140	MEMS Model 100-Brewer Sci
00294	Video-Only Optical Microscope System
00215	Laminar Flow Bench
00132	Laurell-Spinner-WS-400
00110	High Voltage Generator
00031	UV-VIS S2000, 200-850nm, 25um slip OFLV US2D038
00038	Refridgerated Circulator m/n DC50--K35
00098	Spin Processor
00134	Ergolux Microscope
00135	Lucas-CTI CT-8 Cryo Pump
00057	Freezer Chest 120V - 77 3.0
00269	Vertical Laminar Flow Table
00237	Mech-EI #827 Ball bonder
00238	Unitek Micropull 3 Pull Tester
00241	DC Mike and Controller
00121	Sputter Backing, insulator, ring
00310	Re-model Clean Room 1 & 2
00217	Laminar Flow Bench 6' x 36"
00162	Napco 5861 Vacuum Oven
00108	Vacuum Oven
00345	Vacuum Oven, Med 115v 60hz (Qty 2)
00256	Mass Flow Controller
00362	Vacuum Oven Med 115v 60hz
00368	Microdot Dispense Valve Sys. w/ Valvemate 7000 Controller
00334	Probe Manipulators & Accessories
00161	2 Duv 1000 Lamp
00084	#24 Hand Shear
00281	Hot plate/Stirrer 400 HPS
00306	Re-model to Class 1000 Clean Area
00309	Re-model Assembly Room
00165	2 single vacuum chambers
00338	Probe Accessories
00034	B&L Stereo 4 W 10X EYE
00023	Chuck Insert for 4" x 4" x .120"
00328	Ceramic Insulator(s)

00298	Stereo Zoom Microscope Meiji EMZ-10
00244	Gas Distribution Plate
00147	Temp/Humidity Recorder
00042	LaB6 cathode on AEI/Leica Base
00115	Glass Bell Jar
00214	003P001B pivot plate
00308	Re-model Little Clean Room
00149	Vacuum Oven Med 115v
00351	Agilent 4338 B Milliohmeter
00018	Modify Flange
00024	Shadow Mask
00257	937138-01 Acuator Assembly
00152	Flow Controller
00146	Vacuum Oven Med 115v
00139	Telemark-Emitter Assembly
00023	Gallenkamp Oven
00077	CD Product Assy FPAM 13win.ug
00017	Chemical Storage Cabinet
00173	Suction Feed Cabinet
00002	GP 340 w/2 Convec PTB Sales
00143	GP340 W/2 Conv & ion rs232
00297	Hot Plate Stirrer
00325	Hot Plate Stirrer
00274	Watch Maker's Lathe & Collets
00271	Shear Table
00276	Fowler Electronic Mic
00307	Assembly Room A/C
00014	BK7/SF5 Cemented Optical Instr
00299	Fume Hood
00097	Microscope

Exhibit D

**Intangible Property**

**PATENTS, PATENT APPLICATIONS, AND ACTIVE INVENTION DISCLOSURES:**

<b>OUR REF.</b>	<b>SERIAL NO./ FILING DATE</b>	<b>TITLE</b>	<b>INVENTOR(S)</b>
SMT-011	U.S. Serial No. 09/550,076  Filed: April 14, 2000	2D OPTICAL SWITCH	Michael J. LITTLE, John J. LITTLE, John BOWERS, Roger HELKEY and John J. LYON.
SMT-12	U.S. Serial No. 09/550,077  Filed: April 14, 2000	MONOLITHIC 2D OPTICAL SWITCH AND METHOD OF FABRICATION	Michael J. LITTLE and Andrei SHKEL
SMT-21	U.S. Serial No. 09/832,102  Filed: April 11, 2001	WAVEGUIDE TUNABLE BRAGG GRATING USING COMPLIANT MICROELECTROMECHANICAL SYSTEMS (MEMS) TECHNOLOGY	Michael J. LITTLE and John Terry BAILEY
SMT-21PCT PCT based on U.S. Serial No. 09/832,102 (SMT- 021), and Provisional Application No. 60/201,263 (SMT-016PR).	PCT/US01/11739  Filed: May 1, 2001	WAVEGUIDE TUNABLE BRAGG GRATING USING COMPLIANT MICROELECTROMECHANICAL SYSTEM (MEMS) TECHNOLOGY	Michael J. LITTLE and John Terry BAILEY
SMT-22	U.S. Serial No. 09/829,974  Filed: April 11, 2001	LITHOGRAPHICALLY PATTERNING OF UV CURE ELASTOMER THIN FILMS	Ming LI

OUR REF.	SERIAL NO./ FILING DATE	TITLE	INVENTOR(S)
SMT-26 This application claims priority to Provisional Application No. 60/190,115 (SMT-3PR).	US Serial No. 09/810,169  Filed: March 19, 2001	SINGLE-WAVELENGTH ADD/DROP MULTIPLEXER	Michael J. LITTLE
SMT-27 This application claims priority to Provisional Application No. 60/190,116 (SMT-6PR).	US. Serial No. 09/810,170  Filed: March 19, 2001	WAVEGUIDE SWITCH USING COMPLIANT MICROELECTROMECHANICAL SYSTEMS (MEMS) TECHNOLOGY.	Michael J. LITTLE
SMT-28 This application claims priority to Provisional Application No. 60/190,109 (SMT-5PR).	US. Serial No. 09/810,168  Filed: March 19, 2001	ELECTROSTATICALLY- ACTUATED MICROLENS USING COMPLIANT MICROELECTROMECHANICAL (MEMS) TECHNOLOGY	Michael J. LITTLE
SMT-29	U.S. Serial No. 09/766,687  Filed: January 19, 2001	TUNABLE FABRY-PEROT INTERFEROMETER USING ENTROPIC MATERIALS	Ravi K. VERMA, Michael J. LITTLE, Thomas S. TYRIE and John J. LYON
SMT-29P1 This application is a CIP of 09/766,687(SMT-29), which claims priority to Provisional Appln. No. 60/190,110 (SMT-4PR). Also claims priority to Provisional Application 60/211,529(SMT-19PR).	U.S. Serial No. 09/811,612  Filed: March 20, 2001  Note PCT Application was filed also claiming priority to applications listed to left.	ELECTROSTATICALLY- ACTUATED TUNABLE OPTICAL COMPONENTS USING ENTROPIC MATERIALS	Michael J. LITTLE and Ravi K. VERMA
SMT-29P1PCT PCT based on U.S. Serial No. 09/766,687 (SMT-029), Provisional Application No. 60/190,110 (SMT-04PR), and Provisional Application No. 60/211,529 (SMT-019PR).	Filed: March 20, 2001	ELECTROSTATICALLY- ACTUATED TUNABLE OPTICAL COMPONENTS USING ENTROPIC MATERIALS	Michael J. LITTLE and Ravi K. VERMA

OUR REF.	SERIAL NO./ FILING DATE	TITLE	INVENTOR(S)
SMT-30	Serial No. 09/756,860 Filed: January 10, 2001	SURFACE MICROMACHINING USING A THICK RELEASE PROCESS	Andrei M. SHKEL and Michael J. LITTLE
SMT-39	Serial No.: Unknown Filed 2002	COMPLIANT SUPPORT AND METHOD OF FORMING SAME	Michael J. LITTLE, et al.
SMT-39PCT	Serial No.: Unknown Filed April 22, 2002		
SMT-39P1	Serial No.: Unknown Filed 2002	COMPLIANT MEMS TUNABLE DIODE LASER	Michael J. LITTLE
SMT-39P2	Serial No. Unknown Filed April 22, 2002	COMPLIANT MEMS TUNABLE FABRY-PEROT FILTERS AND METHOD OF FORMING SAME	Michael J. LITTLE, et al.
SMT-39P2PCT	Serial No.: Unknown Filed April 22, 2002	COMPLIANT MEMS TUNABLE FABRY-PEROT FILTERS AND METHOD OF FORMING SAME	Michael J. LITTLE, Ron POLLOCK, Roman VINOKUR, Ping LI, Sean STAINES, Phillip RAYNER, Robert CH John J. LYON
SMT-39P3	Not yet filed	COMPLIANT MEMS MULTI- CHANNEL OPTICAL ADD/DROP MULTIPLEXER WITH VARIABLE OPTICAL ATTENUATION	Michael J. LITTLE
SMT-39P4	Not yet filed	HITLESS ADD/DROP MULTIPLEXER	Michael J. LITTLE
SMT-39P5	Not yet filed	OPTICAL PERFORMANCE MONITOR UTILIZING COMPLIANT MEMS FABRY- PEROT FILTER	Michael J. LITTLE
SMT-39P6	Not drafted	OPTICAL REFERENCE SOURCES FOR TUNABLE FABRY-PEROT FILTERS	Michael J. LITTLE
SMT-39P8	Not drafted	SEGMENTED CALIBRATION METHOD FOR AN OPTICAL FILTER	Michael J. LITTLE
SMT-39P9	Not drafted	METHOD OF REDUCING DOWN TIME OF AN OPM BY FREQUENT CALIBRATION DURING DEAD TIME	Michael J. LITTLE

OUR REF.	SERIAL NO./ FILING DATE	TITLE	INVENTOR(S)
SMT-39P10	Not drafted	TUNABLE FABRY-PEROT SCANNING METHOD WITH ARBITRARY STARTING POINT	Michael J. LITTLE
SMT-39P11	Not Drafted	COMPLIANT MICROELECTROMECHANICAL SYSTEMS (MEMS) DISPERSION COMPENSATION SYSTEM AND METHOD	Michael J. LITTLE
SMT-39P13	Serial No.: Unknown Filed April 22, 2002	COMPLIANT MECHANISM AND METHOD OF FORMING SAME	Michael J. LITTLE, Thomas TYRIE, William P. EATON
SMT-39P??	Not drafted, expect to be Divisional or CIP of SMT-39P2	FEEDBACK APPARATUS AND METHODS FOR MEMS DEVICES	Sean STAINES, Phillip RAYNER, Michael LITTLE
SMT-40	Serial No.: Unknown Filed April 18, 2002	METHODS OF MAKING MECHANISMS IN WHICH RELATIVE LOCATIONS OF ELEMENTS ARE MAINTAINED DURING MANUFACTURING	William P. EATON, Thomas S. TYRIE, Harry MELKONIAN, Ping LI, Michael J. LITTLE
SMT-43	Not yet filed	METHOD OF MAINTAINING DESRIED PARALLELISM OF TUNABLE FILTER MIRRORS	Robert CHI
SMT-??		Other Solus Inventions not Yet Drafted or Filed	

**TRADEMARKS:**

OUR REF.	SERIAL NO./ FILING DATE	TITLE	INVENTOR(S)
SMT-1TM	US Serial No. 75/916,265	Mark: SOLUS MICRO TECHNOLOGIES  Based on Intent to Use	
SMT-2TM	US Serial No. 75/916,264  Filed: 2/10/00	Mark: SOLUS Logo  Based on Intent to Use	
SMT-2TMAU	Australian Trademark Application No. 843,743  Filed July 26, 2000	Mark: SOLUS (Logo)	
SMT-2TMCA	Canadian Trademark Application No. 1,068,589	Mark: SOLUS Logo	

OUR REF.	SERIAL NO./ FILING DATE	TITLE	INVENTOR(S)
	Filed: 7/26/00		
SMT-2TMCN	Chinese Trademark Application No. 2000114846  Filed: 8/1/00	Mark: SOLUS Logo	
SMT-2TMEP	Community Trademark Application No. 001787944  Filed: 8/2/00	Mark: SOLUS (Logo)	
SMT-2TMJP	Japanese Trademark Application No. 2000- 83364  Filed: 7/27/00	Mark: SOLUS (Logo)	
SMT-2TMKR	Korean Trademark Application No. 40-2000-0038392  Filed: 8/9/00	Mark: SOLUS (Logo)	
SMT-2TMTW	Taiwanese Trademark Application No. 89043472  Filed: 7/28/00	Mark: SOLUS (Logo)	
SMT-23TM	Serial No. 75/838,759  Filed: 11/3/99	Mark: SOLUS	
SMT-23TMAU	Australian Trademark Application No. 833,776  Filed: 5/1/00	Mark: SOLUS	
SMT-23TMCA	Canadian Trademark Application No. 1,057,387  Filed: 5/2/00	Mark: SOLUS	
SMT-23TMCN	Chinese Application No. 2000061083  Filed: 5/8/00	Mark: SOLUS	

OUR REF.	SERIAL NO./ FILING DATE	TITLE	INVENTOR(S)
SMT-23TMEP	Community Trademark Application No. 001634849  Filed: 5/2/00	Mark: SOLUS	
SMT-23TMJP	Japanese Trademark Application No. 2000-48738  Filed: 5/1/00	Mark: SOLUS	
SMT-23TMKR	Korean Trademark Application No. 40-2000-0020957  Filed: 5/2/00	Mark: SOLUS	

**REGISTERED COPYRIGHTS:**

NONE

**OTHER INTELLECTUAL PROPERTY ASSETS:**

Sellers' rights under (a) confidentiality agreements of employees and consultants of Sellers and of third parties, and (b) invention assignment agreements of employees and consultants.

Various trade secrets and know-how relating to tunable filter, CMEMS and related technology and business



Exhibit E

**Assumed Liabilities**

**I. Employees**

<u>Name</u>	<u>Annual Salary</u>	<u>Bi-Monthly Payment</u>	<u>Accrued Vacation<sup>1</sup></u>
Adriana Tisherman	50,000	2,083	298.08
Jeff Barsamian	50,250	2,094	5,176.74
Ross Gaines	50,000	2,083	1,012.20
Ike Song	200,000	8,333	5,546.16
Linda West	107,870	4,495	3,658.75
Li Ping	112,200	4,675	1,993.71
Bill Eaton	95,077	3,962	1,442.15
Robert Berger	100,000	4,167	2,844.23
Martin Brutsch	84,000	3,500	3,408.87
R. Rosete	50,000	2,083	792.36
Jay Moon	63,600	2,650	1,884.76
Ming Li	84,240	3,510	7,271.78
Robert Chi	80,000	3,333	2,512.31
Ron Pollock	70,538	2,939	3,613.39
Jon Peters	52,250	2,177	2,524.08
Kusol Lee	65,000	2,708	4,853.71
Wang Weijie	62,000	2,583	1,101.69
M. Blake	120,000	5,000	0.00
P. Rayner	99,000	4,125	0.00
S. Staines	78,000	3,250	0.00
C. Chambers	78,000	3,250	0.00
M. Dockney	72,000	3,000	0.00
Paul Seiler	0	0	5,147.47
Steve Cook	0	0	1,494.23
	<u>\$ 1,824,025</u>	<u>\$ 76,000</u>	<u>\$ 56,576.65</u>

**II. Licenses**

Any and all obligations arising directly out of any off-the-shelf licenses of software but only to the extent such software is loaded or embedded in hard assets (such as computers and servers) purchased hereunder.

<sup>1</sup> Former employees of Seller that become employees of Buyer will be paid wages on a bi-monthly basis in accordance with Seller's employment policies and procedures and the foregoing schedule. Accrued vacation will be permitted in accordance with Buyer's vacation policy, which must be acceptable to each employee prior to the commencement of each employee's employment with Buyer. Any accrued vacation will be rolled over upon commencement of employment with Buyer. No payments (lump sum or otherwise) will be made to any former employee of Seller on account of accrued vacation upon employment with Buyer. Rather, each former employee of Seller with accrued vacation will be credited with such accrued vacation upon commencement of employment with Buyer, in the amount set forth above. Employees who choose not to accept employment from Buyer will not have the liabilities owed to them assumed.

## Exhibit F

### ASSIGNMENT AND ASSUMPTION OF LEASES AND CONTRACTS

This Assignment and Assumption of Leases and Contracts (this "Assignment") is entered into as of this \_\_\_ th day of \_\_\_\_\_, 2002, between PARVENU, INC., a Delaware corporation (the "Assignee"), on the one hand, and SOLUS MICRO TECHNOLOGIES, INC., a Delaware corporation, MEMSOLUTIONS, INC., a Delaware corporation, and WESTLAKE HOLDINGS, INC. on the other (collectively, "Assignor"), each debtors and debtors-in-possession in Chapter 11 cases pending in the United States Bankruptcy Court, Central District of California (the "Bankruptcy Court"), with respect to the following facts and circumstances:

A. Assignor, as Sellers, and Assignee, as Buyer, have heretofore entered into that certain Asset Purchase Agreement dated \_\_\_\_\_ (the "Purchase Agreement"). Except for terms specifically defined herein, the capitalized terms used in this Assignment shall have the same meanings as capitalized terms used in the Purchase Agreement.

B. Concurrently with the mutual execution and delivery of this Assignment, Assignor and Assignee are consummating the transactions contemplated by the Purchase Agreement. Assignor and Assignee are executing and delivering this Assignment in satisfaction of their respective obligations pursuant to Sections 3.2.1 and 3.3.2 of the Purchase Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which Assignor and Assignee hereby acknowledge, Assignor and Assignee hereby agree as follows:

1. Assignment. Effective as of the Closing Date, to the extent of their respective interests therein, the parties comprising Assignor hereby assign to Assignee all of Assignor's right, title and interest in and to the Leases and Contracts described on Exhibit A and Exhibit B to the Purchase Agreement (collectively, the "Assigned Contracts").

2. Assumption. Effective as of the Closing Date, Assignee hereby accepts the foregoing assignment and assumes and agrees to be bound by the terms and provisions of the Assigned Contracts and to faithfully perform all of Assignor's obligations thereunder to be performed from and after the Closing Date as though Assignee had been the original contracting party thereunder.

3. Assignee's Indemnification. Assignee shall indemnify, defend (with counsel reasonably satisfactory to Assignor) and hold Assignor free and harmless of, from and against any and all liabilities, obligations, claims, demands, actions, causes of action, losses and costs and expenses (including, without limitation, all court costs and reasonable attorneys' fees) as Assignor may suffer or incur by reason of or in connection with Assignee's breach or default or asserted or claimed breach or default of any obligation to the counter-party under the Assigned Contracts (or any of them) to be performed thereunder from and after the Closing Date.

4. Amendments. This Assignment may only be amended by a writing signed by both Assignor and Assignee.

5. Execution in Counterparts. This Assignment may be executed in counterparts and delivered by the delivery of facsimile signatures; provided, however, that if the parties exchange facsimile signatures, each of them agrees to provide the other with a copy of this Assignment bearing their original signature as soon thereafter as possible.

6. Delivery Pursuant to Purchase Agreement. Notwithstanding anything to the contrary herein, Assignor and Assignee are executing and delivering this Assignment in accordance with and subject to all of the terms and provisions of the Purchase Agreement (including, without limitation, the exclusions set forth in Section 1.2 of the Purchase Agreement, and the acknowledgement and disclaimer set forth in Section 7 thereof).

7. Governing Law. This Assignment shall be governed by and construed and enforced in accordance with the internal laws of California except insofar as federal bankruptcy law may be applicable in which case federal bankruptcy law shall apply.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the day and year first set forth above.

**ASSIGNOR:**

**SOLUS MICRO SYSTEMS, INC. , a  
Delaware corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**MEMSOLUTIONS, INC. , a  
Delaware corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**WESTLAKE HOLDINGS, INC. , a  
Delaware corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**ASSIGNEE:**

**PARVENU, INC. , a  
Delaware corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_

**Exhibit G**

**BILL OF SALE**

Pursuant to that certain Asset Purchase Agreement dated as of \_\_\_\_\_, 2002 (the "Agreement"), by and between PARVENU, INC., a Delaware corporation (the "Buyer"), on the one hand, and SOLUS MICRO TECHNOLOGIES, INC., a Delaware corporation, MEMSOLUTIONS, INC., a Delaware corporation, and WESTLAKE HOLDINGS, INC. on the other ("Sellers"), and for good and valuable consideration, the receipt and sufficiency of which Sellers hereby expressly acknowledge, to the extent of their respective interests therein, the parties comprising Sellers hereby sell, transfer, assign and deliver all of its right, title and interest in and to (i) the Personal Property, (ii) the Inventory, and (iii) all shares of capital stock held by any of the Sellers in Solus UK.

Except for terms specifically defined in this Bill of Sale, all capitalized terms used in herein shall have the same meanings as such terms have when utilized in the Agreement.

Notwithstanding anything to the contrary herein, Sellers are executing and delivering this Bill of Sale in accordance with and subject to all of the terms and provisions of the Agreement (including, without limitation, the exclusions set forth in Section 1.2 of the Agreement, and the acknowledgement and disclaimer set forth in Section 7 of the Agreement).

IN WITNESS WHEREOF, Sellers have caused this Bill of Sale to be executed as of the \_\_\_\_ day of \_\_\_\_\_, 2002.

**SOLUS MICRO SYSTEMS, INC. , a  
Delaware corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**MEMSOLUTIONS, INC. , a  
Delaware corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**WESTLAKE HOLDINGS, INC. , a  
Delaware corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Exhibit H

**ASSIGNMENT OF INTANGIBLE PROPERTY**

SOLUS MICRO TECHNOLOGIES, INC., a Delaware corporation, MEMSOLUTIONS, INC., a Delaware corporation, and WESTLAKE HOLDINGS, INC. (collectively, "Assignor") are executing this Assignment of Intangible Property (the "Assignment") in favor of PARVENU, INC. (the "Assignee"), with respect to the following facts and circumstances:

(A) Assignor and Assignee have heretofore entered into that certain Asset Purchase Agreement dated \_\_\_\_\_, 2002 (the "Agreement"), by and between Assignor and Assignee. Except for terms specifically defined in this Assignment, the capitalized terms used in this Assignment shall have the same meanings as such terms when used in the Agreement.

(B) Concurrently with the execution and delivery of this Assignment, Assignor and Assignee are consummating the transactions contemplated by the Agreement. Pursuant to the Agreement, Assignor and Assignee are required to mutually execute and deliver this Assignment at the Closing.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which Assignor hereby expressly acknowledges, to the extent of its respective interests therein, each entity comprising Assignor hereby assigns, conveys, transfers and sets over unto Assignee, all of Assignor's right, title and interest, if any, in and to all Intangible Property identified on Schedule 1 attached hereto and incorporated herein by this reference, and Solus Micro Technologies Inc. further assigns, conveys, transfers and sets over unto Assignee, all of the right, title and interest, of Solus Micro Technologies Inc. in all other Intangible Property of Solus Micro Technologies Inc. This Assignment shall inure to the benefit of, and be binding upon, the successors, executors, administrators, legal representatives and assigns of Assignor and Assignee.

Notwithstanding anything to the contrary herein, Assignor is executing and delivering this Assignment in accordance with and subject to all of the terms and provisions of the Agreement (including, without limitation, the exclusions set forth in Section 1.2 of the Agreement, and the acknowledgement and disclaimer set forth in Section 7 thereof).

This Assignment shall be governed by and construed and enforced in accordance with the internal laws of the State of California, except insofar as federal bankruptcy law may be applicable in which case federal bankruptcy law shall apply.

IN WITNESS WHEREOF, Assignor has executed this Assignment as of the \_\_\_ of \_\_\_, 2002.

**ASSIGNOR:**

**SOLUS MICRO SYSTEMS, INC. , a  
Delaware corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**MEMSOLUTIONS, INC. , a  
Delaware corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**WESTLAKE HOLDINGS, INC. , a  
Delaware corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**ASSIGNEE:**

**PARVENU, INC. , a  
Delaware corporation**

**By: \_\_\_\_\_**  
**Name: \_\_\_\_\_**  
**Its: \_\_\_\_\_**

## Exhibit I

### EXCLUDED PERSONAL PROPERTY

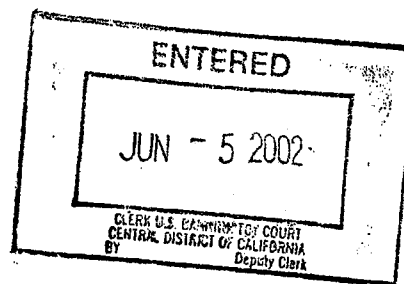
SYS No	Description
00156	Parylene System
00107	Moraine Displays
00099	Four Channel Controller
00115	Wet Process Station
00326	SpeedMixer DAC 150FVZ
00265	Turbo Pump
00047	Kit-Pyris TA Mgr
00076	MAS 90 Acct. Software
00019	NRE RC-Decay Drive Electronics
00267	Tek Differential Probe
00071	T20 PIII 750 128/20 DVD
00072	T20 PIII 750 128/20 DVD
00258	Turbo Pump w/Controller
00169	Expand Phone System
00264	Tek Current Probe System
00254	Xantrex Power supply
00222	PC Systems (3)
00052	Turbo Pump V70, CF 4.5"
00279	Trade Show Booth
00263	Power Supply 205B-20R
00198	Acticure Model A4000
00129	Tucker-3 Oscilloscopes
00318	Chico Board w/ SD & Dev. Pkg.
00164	Semiconductor Parameter
00006	Desks & Extensions (5)
00025	UV-VIS PC2000, 200-850nm, 25um flit, OFLV Dectector
00027	Cobu 1100 Camera
00093	Lepel RF Induct 30
00016	Demountable Electronics
00013	BK7/SF5 Cemented Optical Instr
00166	Dove Brothers Furniture
00137	800/800 Heated Table
00253	P5102 High Voltage
00021	Design Change - Morraine
00100	Mechanical Pump
00112	Flange
00172	Conference Room Table
00144	2 Ceramic Break Assemblies
00317	PC's (2) 866 mhz P3
00131	Syntronic CRT Deflection Yoke
00011	Xantrex XT20-3 Test Equity
00148	3 power supply readouts
00061	QS Silvermax Intergrated Servmotor10/31/00
00231	PCI-6704 DC Analog Output
00303	Desks, grey (7)

00300	Microphone, Prepolarized w/ Preamp & Stand
00141	2 Insulators
00201	ESP300-11N1NN 2 Axis Control
00062	2Axis Control
00138	3 Multifunction I/O&output board
00270	Oscilloscope Tek 2445B
00196	Stereo Zoom 4 Microscope POD w 10x
00111	High Voltage Generator
00122	Wideband Power Amp
00203	1" Dia. Planarizing Piece
00118	Quartz Chamber
00124	950PMMA C9
00014	Multimeters(2)
00088	Microscope
00113	Granville 307082
00224	PC System P3 933 mhz
00159	2 CRT Reflection Yokes
00075	Math Professional
00136	Germanium Target
00067	Komodo Monitor - 17"
00260	LAB6 Cathode
00324	Feedthrough, Dual Sensor Head
00151	HP4145
00017	Multimeters(3)
00128	GP340 W/2 Convectron
00242	DC Mike and Controller
00248	Power Supply 205B-10R
00010	American Express Payment
00249	Power Supply 205B-10R
00290	Calibrator Hand-Held 394C06
00095	Flex Arc 600 Ballast
00012	HVPS 0-10KV High Voltage
00255	Power supply 205B-10R
00102	Breadboard
00033	10CM00SR.70T Mriior, Super SR.XXT
00092	Litton (Model D30)
00004	TEK P6201 Tucker Elec
00204	Extron CVC200 HDTV Converter and Shelf
00006	T00137 Tru-Mar Precision
00153	Axis Measurement Package
00064	Plumbing - G. Durand
00377	NEC Monitor, Flat Panel LCD 2010
00378	NEC Monitor, Flat Panel LCD 2000
00019	Multimeter(3)
00142	Flange Weldment Gun Mount
00250	2179A12CRIBV
00090	Gauges
00221	LS3-1-B10-XY
00086	MAS 90 Software, IM Module
00157	Baratron Gauge
00074	Adobe Framemaker+SGML 6.0

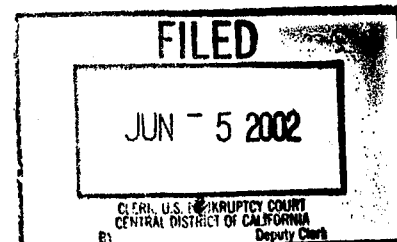


00163	Plate Glass Holders
00323	Furnace .14 cu ft
00001	Bernie Ryan Expense Rpt
00065	Plumbing - G. Durand
00094	Scope Probes
00087	IG/TC Gauge Controller
00104	Function Generator (2)
00150	Explorer 610GX.01G w/Intercal
00078	Bldg.Sys.BR FR-357ISS 000
00130	Tucker-2 Function Generators
00101	Keithley Current Amp
00123	Viewport Teflon Film
00261	Hall Effect Chamber
00046	DC 93-500 1.1 lb Std/Version
00003	Tecktronix 7904 OS
00119	Sawtooth Generator
00091	Feedthru HV 1"
00302	Office Furniture - M. Little (part 2 of 2)
00202	Desk - M. Little
00266	D1.6B Leybold Mechanical Pump
00008	T00305 Tru-Mar Precision
00079	PIII 700MHZ System
00080	PIII 700MHZ System
00069	Computer
00044	Electron Gun Filament for Hitachi S-800
00114	Homogenizer
00026	Mask (star pattern)
00226	PC System P3 550 mhz
00120	Transformer 7.6kva 60 hz
00126	Digital Camcorder
00251	P/N 190111
00145	Magnetic Rotary Seal
00105	Regulator
00109	Pulse Generator
00066	Artwork Conversion S/W
00200	HP 2100SE Printer
00035	Etalon Mask
00259	HDTV Converter
00223	PC System
00216	HEPA Filter 2' x 4' 115v
00228	03CFS007 Glass Filter
00229	03CFS007 Glass Filter
00040	Etalon Mask
00015	Flange Modification
00252	Electron Gun
00262	Digital Counter and Dial
00234	10CM00SR.70F Mirror
00041	Post Growing Fixture
00365	New Carpeting
00063	Desk W/Return
00247	Tabletop Thin Film

RUTTER, HOBBS & DAVIDOFF  
INCORPORATED  
Brian L. Davidoff (State Bar No. 102654)  
Duane Kumagai (State Bar No. 125063)  
Neil A. Shah (State Bar No. 194514)  
Los Angeles, California 90067-4301  
Telephone (310) 286-1700  
Telecopier (310) 286-1728



Proposed Attorneys for Debtors and  
Debtors-in-Possession  
WESTLAKE HOLDING COMPANY, INC.,  
MEMSOLUTIONS, INC. and  
SOLUS MICRO TECHNOLOGIES, INC.



UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA, SAN FERNANDO VALLEY

In re	)	CASE NO. SV02-14836 KL
	)	Chapter 11
WESTLAKE HOLDING COMPANY, INC., a	)	
Delaware Corporation,	)	
	)	
Debtor.	)	
<hr/>		
In re	)	CASE NO. SV02-14838 KL
	)	Chapter 11
MEMSOLUTIONS, INC., a Delaware	)	
Corporation,	)	
	)	
Debtor.	)	
<hr/>		
In re	)	CASE NO. SV02-14840 KL
	)	Chapter 11
SOLUS MICRO TECHNOLOGIES, INC., a	)	ORDER UNDER 11 U.S.C. §§105, 363, 503
Delaware Corporation,	)	AND 507 AND FEDERAL RULE OF
	)	BANKRUPTCY PROCEDURE 6004
Debtor.	)	APPROVING BIDDING PROCEDURES,
	)	BREAK-UP FEE PROVISIONS AND
	)	APPROVING FORM AND MANNER OF
	)	NOTICE OF AUCTION AND SALE
	)	HEARING, SCHEDULING A HEARING TO
	)	CONSIDER APPROVAL OF THE SALE OF
	)	SUBSTANTIALLY ALL OF THE DEBTORS'
	)	ASSETS AND ESTABLISHMENT OF
	)	ASSUMPTION, CURE AND OBJECTION

EXHIBIT 2

1 ) BAR DATE WITH RESPECT TO CERTAIN  
2 ) EXECUTORY CONTRACTS AND  
3 ) UNEXPIRED LEASES  
4 )  
5 ) Date: June 5, 2002  
6 ) Time: 10:00 a.m.  
7 ) Courtroom: 301  
8 )  
9 )  
10 )

11 Upon the motion dated May 29, 2002 (the "Motion") of Westlake Holding Company,  
12 Inc., a Delaware corporation ("Westlake"), Solus Micro Technologies, Inc., a Delaware  
13 corporation ("Solus"), and MEMSolutions, Inc., a Delaware corporation ("MEMS," Solus,  
14 referred to as "Debtors"), under sections 105(a), 363(b), 503(b)(1)(A) and 507(a)(1) of title  
15 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code") and Fed. R.  
16 Bankr. P. 6004 for an order (the "Order") (a) approving (i) bidding procedures (the "Bidding  
17 Procedures") with respect to the sale (the "Asset Sale") of substantially all of the Debtors' assets  
18 (the "Assets") to Parvenu, Inc., a Delaware corporation (the "Buyer") subject to higher and  
19 better offers at the Auction (as defined in the Motion) and (ii) the payment of a break-up fee in  
20 the amount of the lesser of (A) \$50,000, and (B) all reasonable fees and costs of Buyer in  
21 connection with either the acquisition of the Assets as described in this Agreement or the DIP  
22 Financing (the "Break-Up Fee"), in cash or other immediately available good funds in the event  
23 that Buyer is not approved by the Bankruptcy Court as the purchaser of the Assets and the  
24 Assets (or any material portion thereof) are thereafter sold to any third party for consideration  
25 in excess of the Purchase Price and other consideration provided for herein notwithstanding the  
26 Buyer's willingness and ability to consummate the transactions contemplated by this  
27 Agreement, which payment shall be made to the Buyer concurrently with the consummation of  
28 such third party sale, (b) approving the form and manner of notice of the Auction and the  
Bidding Procedures, (c) scheduling a hearing (the "Sale Hearing") and objection deadline with  
respect to the Asset Sale and approving the form and manner of notice of the Bidding  
Procedures Hearing (as defined herein), and (d) establishment of assumption, cure and  
objection bar date of certain executory contracts and unexpired non-residential real property

1 and equipment leases; and sufficient notice of the Motion and the Bidding Procedures Hearing  
2 having been given; and upon the entire record made at the Bidding Procedures Hearing and  
3 this Court having found good and sufficient cause appearing therefor,

4 **IT IS HEREBY FOUND** that:

5 A. On May 24, 2002, (the "Filing Date"), Debtors filed voluntary petitions for  
6 reorganization for relief with this Court under Chapter 11 of the Bankruptcy Code (the "Chapter  
7 11 Cases"). Debtors continue in possession of its property, and operating and managing its  
8 business as debtors in possession pursuant to Bankruptcy Code §§ 1107 and 1108.

9 B. This Court has jurisdiction over the Chapter 11 Cases and the location pursuant to  
10 28 U.S.C. §§ 157(b) and 1334. Consideration of the Motion constitutes a core proceeding as  
11 defined in 28 U.S.C. § 157(b)(2).

12 C. The Bidding Procedures carefully balance the interest of the Debtors and the  
13 estate in (a) inducing the Buyer to commit to purchase the Assets, (b) preserving the  
14 opportunity to attract higher or better offers, and (c) expediting the sale process.

15 D. Based on the record presented to the Court by the Debtors at the hearing to  
16 approve the Motion (the "Bidding Procedures Hearing"), the Bidding Procedures, including the  
17 Break-Up Fee, have been negotiated in good faith and at arm's length between the Debtors and  
18 the Buyer.

19 E. Based on the record presented to the Court by the Debtors at the Bidding  
20 Procedures Hearing, the Bidding Procedures, including the Break-up Fee, are fair and  
21 reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their  
22 fiduciary duties, and, in the case of the Break-Up Fee, is supported by reasonably equivalent  
23 value and fair consideration, and is an actual and necessary cost and expense of preserving the  
24 Debtors' estates.

25 F. Based upon the record presented to the Court by the Debtors at the Bidding  
26 Procedures Hearing, (i) implementing the Bidding Procedures will not chill the bidding with  
27 respect to the sale of the Assets, (ii) the Debtors approached many parties to discuss the  
28 possible sale of the Assets, (iii) the Debtors believe that the proposal by the Buyer is the highest

1 and best offer for the Assets at this time, and (iv) the approval of the Bidding Procedures does  
2 not "chill" the bidding.

3 G. The notice procedures proposed in the Motion are fair and reasonable and provide  
4 sufficient notice of the Asset Sale to creditors, equity and security holders, and those persons  
5 interested in bidding on the Assets.

6 H. The notice procedures proposed in the Motion are fair and reasonable and provide  
7 sufficient notice of the assumption and assignment of the Assumed Contracts (as defined in the  
8 Motion) and the objection bar date with respect to Assumption and/or Cure Objection (as  
9 defined in the Motion).

10 I. The Court finds and concludes that entry of this Order is in the best interest of the  
11 Debtors' estate and creditors as it will, among other matters, retain for the benefit of the  
12 creditors of the Debtors the prospect of a successful Asset Sale.

13 J. Based upon the foregoing findings and conclusions, and upon the record made  
14 before this Court at the Bidding Procedures Hearing, and good and sufficient cause appearing  
15 therefore,

16 **IT IS HEREBY ORDERED, that:**

17 1. The Motion is granted in its entirety, subject to the terms and conditions set forth  
18 in this Order.

19 2. The Break-Up Fee is approved and constitutes an administrative expense claim  
20 under §§ 503(b) and 507(a)(1) of the Bankruptcy Code payable from the proceeds of the Asset  
21 Sale (free and clear of all liens, claims and encumbrances of any party in interest) and shall be  
22 paid pursuant to the terms of that certain Asset Purchase Agreement among the Debtors and the  
23 Buyer (the "Asset Purchase Agreement").

24 3. The Bidding Procedures, the Auction (as defined in the Motion) and the  
25 determination of the highest or best bid as set forth in Section 11 of the Motion are hereby  
26 approved in their entirety. The Bid Deadline, set forth in ~~paragraph 11 (d)~~ of the Motion, shall  
27 be June 21, 2002 at 3:00 pm, PT.

28 //

1           4. Pursuant to Fed. R. Bankr. P. 9014, objections, if any, to the assumption and  
2 assignment of the Assumed Contracts, must (a) be in writing, (b) comply with the Motion and  
3 the Federal Rules of Bankruptcy Procedure and the local Bankruptcy Rules, (c) be filed with the  
4 Clerk of the Bankruptcy Court for the Central District of California, in Courtroom 301 of the  
5 United States Bankruptcy Court, San Fernando Valley, 21041 Burbank Boulevard, Woodland  
6 Hills, California 91367, on or before June 11, 2002 at 4:00 o'clock p.m. P.T., and (d) be served  
7 so as to be received no later than 4:00 o'clock p.m. P.T., on June 14, 2002, upon (i) counsel to  
8 the Debtors, counsel to the Debtors, Brian L. Davidoff, c/o Rutter Hobbs & Davidoff, 1900  
9 Avenue of the Stars, Los Angeles, CA 90067; (ii) counsel to the Buyer, Maria K. Pum, Brobeck,  
10 Phleger & Harrison, 12390 El Camino Real., San Diego, CA 92130; and (iii) Office of the U.S.  
11 Trustee, 21051 Warner Center Lane, Suite 115, Woodland Hills, California 91367.

12           5. If no objection is received by the Cure Bar Date (as defined in the Motion), the  
13 Cure Amounts (as defined in the Motion) set forth in the schedule attached to the Assumption  
14 Notice (as defined in the Motion) shall be controlling as to the amount necessary to be paid to  
15 cure under § 365(b)(1)(A) and (B) notwithstanding anything to the contrary in any Assumed  
16 Contract or other document, and the non-debtor party to the Assumed Contract shall be forever  
17 barred from asserting any claims for the Cure Amount against the Debtors, the Buyer or such  
18 other purchaser of the Assets through the effective date of the assumption and assignment in  
19 respect of such Assumed Contract.

20           6. Pursuant to Fed. R. Bankr. P. 9014, objections, if any, to the Asset Sale (as  
21 defined in the Motion), must (a) be in writing, (b) comply with the Motion and the Federal  
22 Rules of Bankruptcy Procedure and the Local Bankruptcy Rules, (c) be filed with the Clerk of  
23 the Bankruptcy Court for the Central District of California, at 21041 Burbank Boulevard in  
24 Woodland Hills, California filing in Courtroom 301 , on or before June 11, 2002 at 4:00 o'clock  
25 p.m. P.T., and (d) be served so as to be received no later than 4:00 o'clock p.m. P.T., on June  
26 14, 2002, upon (i) counsel to the Debtors, counsel to the Debtors, Brian L. Davidoff, c/o Rutter  
27 Hobbs & Davidoff, 1900 Avenue of the Stars, Los Angeles, CA 90067; (ii) counsel to the Buyer,  
28 Maria K. Pum, Brobeck, Phleger & Harrison, 12390 El Camino Real., San Diego, CA 92130; and

(iii) Office of the U.S. Trustee, 21051 Warner Center Lane, Suite 115, Woodland Hills, California 91367.

7. The failure of any objecting person or entity to file its objections timely and in accordance with the requirements of this Order will be a bar to the assertion at the Sale Hearing or thereafter of any objection to the (i) Sale Motion, (ii) Debtors' consummation and performance of the Asset Purchase Agreement, and (iii) sale of the Assets and assumption and assignment of the Assumed Leases free and clear of any and all Liens and Claims (as defined in the Asset Purchase Agreement).

8. The order authorizing the sale of the Assets to the Buyer or such other purchaser of the Assets (the "Approved Order") shall provide that the Approval Order shall be effective and enforceable immediately upon entry and shall not be stayed pursuant to Rules 6004(g) and 6006(d) of the Federal Rules of Bankruptcy Procedure.

9. The Sale Hearing will be held in this Court on June 25, 2002 at 10:00 a.m.

Dated: 6/5, 2002

**KATHLEEN I. LAX**

UNITED STATES BANKRUPTCY JUDGE

**NOTE TO USERS OF THIS FORM:**

*Physically attach this form as the last page of the proposed Order or Judgment.  
Do not file this form as a separate document.*

In re  
Westlake Holding Company, Inc., MEMSolutions, Inc., and Solus  
Micro Technologies, Inc., Jointly Administered

CHAPTER 11  
Debtor. CASE NUMBER: SV02-14836KL

**NOTICE OF ENTRY OF JUDGMENT OR ORDER  
AND CERTIFICATE OF MAILING**

TO ALL PARTIES IN INTEREST ON THE ATTACHED SERVICE LIST:

1. You are hereby notified, pursuant to Local Bankruptcy Rule 9021-1(a)(1)(E), that a judgment or order entitled *(specify)*:  
ORDER UNDER 11 U.S.C. §§105, 363, 503 AND 507 AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 6004 APPROVING BIDDING PROCEDURES, BREAK-UP FEE PROVISIONS AND APPROVING FORM AND MANNER OF NOTICE OF AUCTION AND SALE HEARING, SCHEDULING A HEARING TO CONSIDER APPROVAL OF THE SALE OF SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS AND ESTABLISHMENT OF ASSUMPTION, CURE AND OBJECTION BAR DATE WITH RESPECT TO CERTAIN EXECUTORY CONTRACTS AND LEASES was entered on *(specify date)*:  
*JUN - 5 2002*
2. I hereby certify that I mailed a copy of this notice and a true copy of the order or judgment to the persons and entities on the attached service list on *(specify date)*:  
*JUN - 5 2002*

Dated:

*JUN - 5 2002*  
JON D. CERETTO  
Clerk of the Bankruptcy Court  
ELIZABETH VILLEGAS

By: \_\_\_\_\_  
Deputy Clerk



SERVICE LIST

DEBTORS

Westlake Holding Company, Inc.  
Solus Micro Technologies, Inc.  
MEMSolutions, Inc.  
5706 Corsa Avenue, Suite 100  
Westlake Village, CA 91632

WESTLAKE HOLDING COMPANY, INC.

OUST

Office of the United States Trustee  
21051 Warner Center Lane, Suite 115  
Woodland Hills, CA 91367

INVESTORS

E-Tek Dynamics  
1865 Lundy Avenue  
San Jose, CA 95131  
Attention: Ryan Floyd

Enterprise Partners  
7979 Ivanhoe Avenue, Suite 550  
La Jolla, CA 92037  
Attention: William Stensrud

Sierra Ventures  
3000 Sand Hill Road  
Building 4, Suite 210  
Menlo Park, CA 94025  
Attention: Jeffrey M. Drazan

Epley Investors III  
414 14<sup>th</sup> Street  
Santa Monica, CA 90402

Epley Investors IIIA  
414 14<sup>th</sup> Street  
Santa Monica, CA 90402

1 Epley Investors IIIB  
414 14<sup>th</sup> Street  
2 Santa Monica, CA 90402  
3  
4 Tom Epley  
414 14<sup>th</sup> Street  
Santa Monica, CA 90402  
5  
6 Stensrud Family Trust  
7979 Ivanhoe Avenue, Suite 550  
7 La Jolla, CA 92037  
Attention: William Stensrud  
8  
9 Citigroup  
399 Park Avenue  
New York, New York 10043  
10 Attention: Stanton McComb  
11  
12 Essex  
125 High Street, 29th Floor  
Boston, MA 02110  
13 Attention: Susan Stickells  
14  
15 Bayview  
555 CA Street, Suite 2600  
San Francisco, CA 94104  
16 Attention: Jennifer Sherrill  
17  
18 East River II  
645 Madison Avenue, 22nd Floor  
New York, NY 10022  
19 Attention: Walter Carozza  
20  
21 Michael Grunwald  
Director, Private Client Services  
Credit Suisse/First Boston  
22 Technology Group  
201 Spear Street, 16th Floor  
23 San Francisco, CA 94105  
24  
25 Mike Little  
4300 Gaugin  
Woodland Hills, CA 91364  
26  
27 Bill Robinson  
1365 Rocking W Drive  
Bishop, CA 93514  
28

1 Paul O'Neill  
11376 Broadview Drive  
2 Moorpark, CA 93021  
3  
4 Phil Reif  
23265 Schoolcraft  
West Hills, CA 91307  
5  
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**PROOF OF SERVICE**

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I, the undersigned, declare:

I am a citizen of the United States of America, am over the age of eighteen (18) years, and not a party to the within action. I am an employee of Rutter, Hobbs & Davidoff Incorporated, and my business address is 1900 Avenue of the Stars, Suite 2700, Los Angeles, CA 90067.

On June 12, 2002, I caused to be served the following document(s):

**NOTICE OF SALE OF ESTATE PROPERTY**

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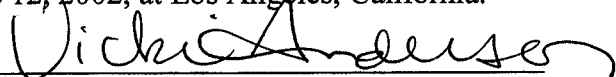
\_\_\_\_ **BY OVERNIGHT DELIVERY:** I caused each envelope, with delivery fees provided for, to be deposited in a box regularly maintained by Overnite Express. I am familiar with Rutter, Hobbs & Davidoff Incorporated's practice for collection and processing of correspondence for overnight delivery and know that in the ordinary course of Rutter, Hobbs & Davidoff Incorporated's business practice the document described above will be deposited in a box or other facility regularly maintained by Overnite Express or delivery to an authorized courier or driver authorized by Overnite Express to receive documents on the same date that it is placed at Rutter, Hobbs & Davidoff Incorporated for collection.

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\_\_\_\_ **BY FACSIMILE:** By use of facsimile machine telephone number \_\_\_\_\_, I served a copy of the within document on the above interested parties at the facsimile numbers listed.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on June 12, 2002, at Los Angeles, California.



VICKI ANDERSON

SERVICE LIST

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